

EXHIBIT II

**CEI/ONA
IMPLEMENTATION GUIDELINES**

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ONA Compliance

CEI/ONA IMPLEMENTATION
GUIDELINES

TABLE OF CONTENTS

<u>PART</u>	<u>SUBJECT</u>	<u>PAGE</u>
1	PURPOSE	1
2	BACKGROUND	1
3	DEFINITIONS	5
4	CSOC/BSOC/TAM/AE/REQUIREMENTS .	7
	- SORCES	10
	- NON-SORCES	11
	- ESP SALS RESPONSIBILITIES . .	12
	- NON-ESP SALES RESPONSIBILITIES	13

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**CEI/ONA
IMPLEMENTATION GUIDELINES**

PAGE 1

SUBJECT: PURPOSE PART 1

This document is being distributed to set guidelines relative to the implementation of Comparably Efficient Interconnection/Open Network Architecture (CEI/ONA). This information only pertains to GTE IntraLATA services.

It is imperative that the information contained in this material be reviewed with all Sales contact personnel (CSOC/BSOC/TAM/Major Accounts) that promote and/or sell enhanced services (Voice Messaging, Protocol Conversion products, i.e., Public Data Network and QuickConnect with Protocol Conversion).

Note: QuickConnect is not an Enhanced Service until Protocol Conversion is requested and provided by the utility.

SUBJECT: BACKGROUND PART 2

ONA is a regulatory policy and not a network architecture prescription or technology. Although, in all likelihood it will ultimately be broadened to encompass all Local Exchange Carriers (LECs), the policy deals specifically with the preconditions necessary for the removal of the Federal Communication Commission's (FCC) structural separation requirement for the Regional Bell Operating Companies (RBOC's) to offer enhanced services. Although not currently subject to the FCC's ONA order, GTE fully supports the principles of ONA and is complying with the spirit of the ONA order on a voluntary basis.

Despite its original intent, the policy now addresses more than just the non-structural separation issue in that it forces the RBOCs and indeed all LECs to recognize Enhanced Service Providers (ESPs) as customers and fosters an environment in which their needs are becoming understood and slowly addressed.

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 2

SUBJECT: BACKGROUND (CONT'D)

PART 2

In its earlier Computer Inquiry (CI II) Order, the FCC created two classes of services, basic and enhanced. Basic services were those Public Network services over which the RBOCs exerted bottle-neck monopoly control and did not involve computer processing functions, whereas Enhanced Services were deemed competitive and computer processing function based. Basic Services continued to be regulated and Enhanced Services were deregulated. The RBOCs were permitted to offer Enhanced Services only through Fully Separate Subsidiaries. The FCC reasoned that this approach would prevent the RBOC from cross-subsidizing Enhanced Services with regulated profits and would create a level playing field for all competitors. The order did indeed create the level playing field, but did not encourage the RBOCs to provide Enhanced Services and the introduction of non-RBOC Enhanced Services lagged far behind expectations.

In 1985 the FCC was concerned that the enhanced services market was not developing as rapidly as it had hoped and questioned whether its past policies (e.g., the structural separation requirement) had contributed to the problem. In an effort to resolve its concerns, it initiated the Computer Inquiry III (CI III) proceeding which gave birth to the ONA concept.

In doing so, the FCC established two key objectives against which new policies could be judged. It wanted to:

- o Foster the growth of the enhanced services market
- o Permit the RBOCs to enter the enhanced services market, but with non-structural safeguards in place which would allow the FCC to discontinue its Computer Inquiry II structural separation requirement (e.g., separate subsidiary) for the RBOCs

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 3

SUBJECT: BACKGROUND (CONT'D)

PART 2

The need for non-structural safeguards stemmed from the FCC's recognition that ESPs may be competitors as well as customers of the RBOCs, thus placing the RBOCs in a unique competitive position in which they could easily gather competitive information from an ESP's use of the regulated Public Network and use it to advantage their own ESP. Moreover, the FCC also recognized that RBOC ESPs could derive proprietary cost and technical advantages from their use of the RBOC operated regulated Public Network. The FCC's ONA rules were thus developed to put RBOC ESPs on equal footing with other ESPs and are based upon the following rule of thumb:

- o Any competitive advantage an RBOC ESP could derive, resulting from the RBOC's operation of the basic regulated Public Network should be neutralized

Using this rule of thumb, the FCC established two key ONA principles and developed its ONA policy from them:

- o Comparably Efficient Interconnection (CEI)
- o Non-structural safeguard rules

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 4

SUBJECT: BACKGROUND (CONT'D)

PART 2

The FCC's CEI rules deal with the elimination of potential technical and cost advantages which RBOC ESPs could realize from RBOC operation of the regulated Public Network and are as follows:

- o Basic Service Unbundling
- o Price Terms & Conditions
- o Interface Functionality
- o Technical Performance
- o Non-discriminatory Installation & Repair
- o End User Access
- o CEI Availability
- o Customer Use Restrictions
- o Collocation/Minimization of Transport Costs

The FCC's non-structural safeguard rules deal with the elimination of potential competitive advantages RBOC ESPs could derive from their integration with regulated RBOC operations and are listed as follows:

- o Non-discrimination Reporting
- o Allocation of Joint & Common Costs
- o Network Information Disclosure
- o Customer Proprietary Network Information (CPNI)
- o Aggregate CPNI

Note: GTE is subject to all the above rules due to our Consent Decree, however not to the extent the RBOCs are.

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT' D)**

PAGE 5

SUBJECT: DEFINITIONS

PART 3

Comparably Efficient Interconnection (CEI) -

Is a regulatory policy which allows open access to the local exchange network to all competitive providers of enhanced services. It provides non-discrimination safeguards to offer a "fair level playing field".

Open Network Architecture (ONA) -

Is a regulatory policy which requires equal access to the Business Services underlying a Local Exchange Company (LEC) enhanced service offerings.

Enhanced Service Provider (ESP) -

Is an entity that uses the communications network to deliver an enhanced service to a consumer, also in accordance with applicable regulatory requirements, claims the status of an ESP who provides an enhanced service under Section 64.702 of the FCC's Rules.

Customer Proprietary Network Information (CPNI) -

Is defined as private customer data related to the customer's basic network services.

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 6

SUBJECT: DEFINITIONS (CONT'D)

PART 3

Enhanced Service -

An enhanced service refers to services offered over common carrier transmission facilities, which employ computer processing applications that act on the format, content, code, protocol or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different or restricted or restructured information; or involve subscriber interaction with stored information.

ESP Sales - (GTE's)

Is defined as the Sales group designated to sell all services including enhanced services such as Voice Messaging/Protocol Conversion products. This Sales group will be required to transfer restricted CPNI accounts to the Non-ESP Sales group.

Non-ESP Sales - (GTE's)

Is defined as the Sales group which can sell all services except enhanced services such as Voice Messaging. This group will handle customer accounts which are CPNI Restricted.

Protocol Conversion -

The process of changing the data communications protocol at one port termination to a different data communications protocol at another port termination (e.g., asynchronous to X.25)

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 7

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS

PART 4

The introduction of CEI/ONA now provides our customers with the option of restricting their Customer Proprietary Network Information (CPNI) from GTE's Enhanced Service Provider Sales personnel (Sales and Marketing). As identified in Part 3, CPNI is defined as private customer data related to the customer's basic network services accumulated by GTE in the course of furnishing common carrier services. An example of CPNI information is as follows:

- o Type and quantity of regulated services purchased
- o Repair Information
- o Traffic Studies
- o SMDR Information
- o Usage Data
- o Customer Calling Patterns

Does not include:

- o Customer Name
- o Customer Address
- o Customer Telephone Number (e.g., white pages information)
- o Unregulated Customer Services
- o Equipment Purchased
- o Credit Information

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 8

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

Non-Published (NP), non-listed (NL) and CALL Forward numbers are a Special Class of CPNI and are automatically restricted from outbound calling by any Sales Channel for the purpose of selling an Enhanced Service.

Note: This means, no change in our current business procedures relative to the aforementioned.

Customers requesting to restrict/unrestrict their account must be advised that a letter is required from them authorizing GTE to restrict/unrestrict their account from our Enhanced Service Providers-Sales. The customer Service Representative (CSR) / Business Service Representative (BSR)/Tele-Account Manager (TAM) or Account Executive (AE) is responsible for explaining to the customer how their account will be handled in the future. All correspondence relative to the customer's CPNI restriction/unrestriction must be maintained by the utility indefinitely. (See Attachment I on the Implications of CPNI Restriction.)

Note: Under no circumstance can the customer be persuaded by GTE to change their restriction.

GTE will protect and not release CPNI to any ESP (GTE or external party) unless a written request is received by the customer authorizing GTE to do so.

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 9

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

Note: Letters received from an ESP Vendor on behalf of a customer are not acceptable; letters requesting CPNI Restriction must be signed and mailed directly from the customer. CPNI restriction will not be promoted, if the customer has an Enhanced Service and CPNI restriction has not been requested, all existing guidelines for disclosure of customer information apply.

In compliance with GTE's Plan which was submitted to the FCC, CEI/ONA introduces an entirely new concept in how GTE must handle its customers. This new concept causes GTE to establish a separate customer contact group specifically to handle those customer accounts with CPNI Restriction. Therefore, the CSOCs/BSOCs will be required to have a group of individuals (2 or 3) that will handle only Non-ESP services, and Major Accounts will require a separate person (i.e., Network Application Specialist/Assistant - Major Account Support).

Note: Network Application Specialists/Assistants - Major Account Support personnel are normally considered non proactive Enhanced Services Sales Personnel.

These individuals will be identified in this document as Non-ESP Sales. The Non-ESP Sales group will be able to handle all calls, with the exception of not being able to sell Enhanced Services. In addition, it is recommended that the Non-ESP Sales individuals be in a separate location from the existing ESP Sales force. It is recommended that in Areas which utilize the Automatic Call Distribution (ACD) system that networking could be accomplished so that one location can be responsible for the CPNI Restricted services with transferring capabilities.

The existing Sales force, will continue to proactively promote sales for all GTE services (including enhanced services) to unrestricted accounts. Due to the small number of CPNI restricted accounts forecasted, the customer contact group established for CPNI customers will be small in size. However, as our enhanced services expand or if more accounts than anticipated are restricted, further review will be necessary.

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 10

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

Because current systems cannot be modified to restrict ESP Sales from accessing a CPNI customer record, an order upon receipt of a customer's written request for CPNI will be issued to place an identifier on the customer's record to flag the account. The Customer Service Representative (CSR)/Business Service Representative (BSR) will be required to enter:

SOURCES

An "R" order is required with the following:

- o In the Service and Equipment Category a new General Service and Equipment Code (GSEC) on Line 1 only -

Example

+SE= 1, CPNIRSTRICT;

Note: This GSEC must be entered when a customer requests to be restricted, and will be one of the identifiers to inform our CSOC/BSOC/TAM/AE. This GSEC is non-rated. This GSEC will not generate a bill message.

- o Add a Retained Remarks in the S&E Category as follows:

Example

+RMKR= SE= 1, ACCOUNT CPNI RESTRICTED, ALLOW (VENDOR NAME) INFO;

Note: The customer may request more than one ESP to obtain CPNI information from their account. There will not be any Service Order Charges associated to documenting the CPNI Restriction.

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 11

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

NON-SOURCES

A "C" order (record) is required with the following:

- o On Line 05 the BSR will be required to input the following:

Example

05 CPNIRSTRCT (translates to IOSC 08674 for the BMF)

Note: This IOSC must be entered when a customer requests to be restricted, and will be one of identifiers to inform our CSOC/BSOC/TAM/AE. This IOSC will be non-rated. This IOSC will not generate a bill message.

- o On a Miscellaneous Line the BSR will be required to note that the account is CPNI Restricted:

Example

1116*MISC; ACCOUNT CPNI RESTRICTED, ALLOW (VENDOR NAME) INFO

Note: The customer may request that more than one ESP have access to their CPNI information. There will not be any Service Order Charges associated to documenting the CPNI Restriction.

**CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)**

PAGE 12

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

This information will identify the account as being CPNI Restricted and alert the ESP Sales person to explain to the customer that due to their request to restrict their account, ESP Sales is unable to discuss any information relative to the customer's account.

ESP Sales will then be responsible for:

- o Verifying that the customer's account is not CPNI Restricted prior to starting their customer contact by requesting the customer's telephone number and checking either the S&E Category in those Areas utilizing SORCES, or confirming that the Line 05 does not indicate that the customer is CPNI Restricted for the Non-SORCES location.
- o Transferring all calls that are identified as CPNI restricted to the Non-ESP Sales group when the account is identified as restricted. The AE will now be required to pass the order onto the person designated for handling their restricted account.

Note: The CSR/BSR will be responsible for informing the customer that since they have requested CPNI Restriction the call must be transferred to the department which handles their account.

- o Informing the Customer Service Representative (CSR) or Business Service Representative (BSR) receiving the call of the customer's name, telephone number and the reason the customer has stated prior to completing the transfer.

Note: In areas where transfer capability does not exist, the customer should be advised that a CSR/BSR will contact them within four (4) business hours.

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 13

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

The Non-ESP Sales group will be responsible for:

- o Discussing all customer's inquiries and promoting all services except for Voice Messaging and/or any other ESP Service.

Note: Only when the customer specifically asks questions relative to Voice Messaging and/or any other ESP Service will the CSR/BSR discuss the service, and that will only be to answer questions the customer may be asking.

Example:

If the customer asks for Voice Messaging Service/ Protocol Conversion the CSR/BSR/Network Application Specialist/Assistant - Major Account Support can take his/her order; the CSR/BSR can answer the customers questions, but not proactively sell Voice Messaging/Protocol Conversion (cannot offer benefits or Sales pitch for Voice Messaging).

Note: Again, the CSR/BSR/Network Application Specialist/Assistant - Major Account Support will only provide information relative to an enhanced service on a "demand only" basis from the customer.

- o Issuing all orders establishing the CPNI restriction.
- o Notifying Sales (Field Sales, Major Accounts, and the Account Executives) of all requests for CPNI Restriction via internal distribution processes. (this may vary by Area). Information disseminated to Sales should include:
 - Customer's Name
 - Telephone Number

- Customer is requesting CPNI Restriction

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 14

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

Upon notification from the BSOC that the customer has requested that their account is to be restricted, the TAM/AE representative will be responsible for contacting the customer via the "Advocacy Program" to explain how their account will be handled in the future; that their account is restricted from GTE Enhanced Sales and Marketing personnel. If the customer still wishes to keep their account restricted, the TAM/AE representative will thank the customer for their time and inform them that their records have been restricted.

Note: Under no circumstance should any attempt be made to persuade the customer to change their request to unrestrict CPNI.

A clerk will be responsible for inputting this information into the Small Business Support System (SBSS) so that future customer contacts will be avoided. In areas where SBSS is not on-line, each TAM representative must note the restriction on the customer profile.

If the customer decides to allow GTE's ESP Sales representatives access to their records after the TAM/AE representative has reviewed how his/her account is to be handled, the TAM/AE representative will be required to inform the customer that GTE would require a signed waiver letter stating that they are releasing their customer information to GTE's ESP Sales group. CSOC (R1 or B1) under no circumstances would provide a letter to the customer to sign. If the customer questions the TAM/AE representative as to what to put in the letter, the TAM/AE may suggest the verbiage shown in Attachment II. (Utilized primarily for medium/large size accounts).

CEI/ONA
IMPLEMENTATION GUIDELINES
(CONT'D)

PAGE 15

SUBJECT: CSOC/BSOC/TAM/AE REQUIREMENTS (CONT'D) PART 4

Upon receipt of a letter from the customer requesting the removal of CPNI restriction, the TAM representative will forward the letter to the BSR for issuance of an order removing all the GSEC/IOSC and associated RMKR/MISC line(s).

Example:

SORCES

-SE= 1, CPNIRSTRCT;
-RMKR= SE= 1, ACCOUNT CPNI RESTRICTED;

ASOS

-05 CPNIRSTRCT
-11NN*MISC; ACCOUNT CPNI RESTRICTED

ATTACHMENT I

IMPLICATIONS

If the customer requests their account to have CPNI Restriction the following implications should be explained:

- o Their call will, upon receipt in the CSOC/BSOC, be transferred, causing additional waiting time to the customer, to a specific work group which does not sell Enhanced Services

or

- o A call back may be necessary if the specific work groups' line(s) are busy
- o Unable to keep him/her informed of future enhanced service offerings
- o Prohibits their account from viewing by GTE's Enhanced Sales/Marketing personnel

Note: Under no circumstance can any additional verbiage be used to persuade the customer to change their restriction.

ATTACHMENT II

WAIVER LETTER

To: GTE

This letter serves as authorization to allow (GTE Sales Entity) Personnel access to "Customer Proprietary Network Information: (CPNI) for identification of potential Enhanced Service applications for (customer name). CPNI, as defined by GTE includes, but is not limited to:

- Type and Quantity of Regulated Services Purchased
- Repair Information
- Traffic Studies
- SMDR Information
- Usage Data
- Customer Calling Patterns
- Forwarded to Numbers

Agreed to this date

(Customer Name)

By: _____

Title: _____



MARKETING NEWS

GTE Enters the Comparably Efficient Interconnection (CEI) Arena

August 18, 1991
Reference: 910299

Voice Messaging Services, first to fall into FCC Enhanced Services Regulatory Policy

GTE Telephone Operations, in concert with Federal Communications Commission (FCC) regulatory policy, has completed its implementation guidelines for providing CEI to Enhanced Service Providers (ESPs). This information currently pertains to IntraLATA Services, including Voice Messaging. The information in this announcement affects all Sales contact personnel that promote and/or sell network based Voice Messaging.

The following terms need to be defined before GTE's position on Comparably Efficient Interconnection/Open Network Architecture (CEI/ONA) can be fully explained.

Comparably Efficient Interconnection (CEI) -

CEI is a regulatory policy which directs the local exchange carrier to provide non-discriminatory safeguards and to offer equal competition to all providers of enhanced services.

Open Network Architecture (ONA) -

ONA is a regulatory policy which requires preconditions for the Regional Bell Operating Companies (RBOCs) to enter the enhanced services market without structural separation. The CEI policy will be in place until the ONA policy takes effect.

Enhanced Service Provider (ESP) -

An ESP is a vendor who provides enhanced services, including Voice Messaging. This vendor is our customer when they request CEI to GTE's central office. These enhanced services are computer processing based and are deregulated according to the FCC Computer Inquiry II Order.



Background

In the earliest Computer Inquiry II Order, the FCC created two classes of service, basic and enhanced. Basic services were Public Network services over which the RBOCs exerted monopoly control, and did not involve computer processing. Enhanced services were deemed competitive and computer processing based. Basic services were regulated, and enhanced services were deregulated.

In 1985, the FCC decided that the enhanced service market was not developing rapidly enough. To resolve this issue it initiated the Computer Inquiry III proceeding, from which Open Network Architecture (ONA) was established. ONA is a regulatory policy which requires equal access to the Business Services underlying a Local Exchange Company (LEC) enhanced service offerings. ONA was created to encourage growth in the enhanced service market by permitting the RBOCs to enter the ESP market, but, with non-structural safeguards.

The non-structural safeguards stemmed from the FCC's recognition that ESPs may be competitors as well as customers. This could place the RBOCs at a competitive advantage by allowing the gathering of competitive information from an ESP's use of the Public Network. Moreover, further competitive advantage could be realized via proprietary cost and technical information.

The result was a "rule of thumb" that stated any competitive advantage an RBOC ESP could realize from an RBOC's operation of the Public Network should be neutralized. Thus, the Comparably Efficient Interconnection (CEI) and non-structural safeguard principles were born.

2. Non-ESP Sales Representative

A non-ESP Sales Representative will sell all network services except enhanced services. Therefore, these representatives will not sell Voice Messaging.

This split will ensure the integrity of CPNI restriction.

CPNI

CPNI is the private customer data related to the customer's basic network services accumulated by GTE in the course of furnishing common carrier services. CPNI information includes:

- Type and Quantity of Regulated Services Purchased.
- Repair Information.
- Traffic Studies.
- Station Message Detail Recording (SMDR) Information.
- Usage Data.
- Customer Calling Patterns.

CPNI does not include:

- Customer Name.
- Customer Address.
- Customer Telephone Number.
- Unregulated Customer Services.
- Equipment Purchased.
- Credit Information.

*Note:
"forwarded-to" numbers added
after GTE introduction of
voice messaging*

Non-published and non-listed numbers are automatically restricted from outbound calling by a Sales Channel for the purpose of selling an enhanced service.

To meet GTE's requirements three different scenarios must be addressed that reflect the situations an enhanced services sales representative will encounter with the customer. They are:

1. The customer asks about CPNI restriction.
2. The customer asks to have their CPNI restricted.
3. The customer asks to have their CPNI unrestricted.

In each situation the sales representative may only take specific actions.

ESPs

In addition to our usual customers, another customer may be making requests to Enhanced Services Sales - the Enhanced Service Provider. The Enhanced Service Provider is:

1. A separate entity wishing to purchase Basic Service Elements (BSEs) to provide an enhanced service to GTE customers.

OR

2. A large GTE customer wishing to purchase Basic Service Elements (BSEs) to use for their own enhanced service.

An information package will be provided for these type of customers. This package contains a technical description of the interconnection required for the central office in which the customer will be interfacing, the tariff for the Basic Service Elements, and a letter outlining what GTE will provide and how to order the interface. Please refer to the ESP Product Bulletin included in your copy of the package.

In addition to the information above, Telops Sales Training addresses CPNI as it relates to voice messaging service in the Voice Messaging course, number 4080. For more information on this course check your Voice Messaging Product Guide.